Inflation rate in the country

1165. DR. V. MAITREYAN: Will the Minister of FINANCE be pleased to state:

(a) what is the total level of inflation during the current financial year;

(b) what are the major factors which are responsible for high rate of inflation;

(c) what steps are being taken to control the inflationary trend in the country; and

(d) what are the main impacts of the inflation of the common man?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) and (b) The cumulative inflation in terms of WPI (since 1st week of April, 2007 to February 23, 2008) was 4.33 per cent during the current financial year 2007-08, which is lower than 5.98 per cent as on 24 February, 2007 in the last financial year 2006-07.

(c) and (d) Containment of inflation remains high on the agenda of the Government. Anti-inflationary policies of the government include strict fiscal discipline, rationalization of duties of essential items, effective supply-demand management of essential commodities through liberal tariff and trade policies, and strengthening the public distribution system. The Monetary policy of Reserve Bank of India, while being conductive to economic growth, has attempted to contain inflationary expectations arising out of uncertainties in domestic and international environment.

Dr. K.G. Karmakar Committee

1166. SHRI MOINUL HASSAN: Will the Minister of FINANCE be pleased to state:

(a) the recommendations of Dr. K.G. Karmakar Committee which has been approved by Reserve Bank of India; and

(b) whether Government issued specific order on the approved part of the recommendation and the views of All India Regional Rural Bank Employees Association thereon?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) The recommendations of Dr. K.G. Karmakar Committee which have been approved by the Reserve Bank of India and the action taken on them are given in the Statement. (*see* below).

(b) Reserve Bank of India (RBI) *vide* letter dated 11th September, 2006 set up a Task Force to deliberate on empowering Regional Rural Banks (RRBs) Boards for operational efficiency under the Chairmanship of Dr. K.G. Karmakar, Managing Director, National Bank for Agriculture and Rural Development (NABARD). The recommendations approved by RBI and required to be implemented by RRBs were communicated by them (RBI) to the Chairmen & Managing Directors of the sponsor banks *vide* their letter dated 30.7.2007. The Government has not issued any specific orders on these recommendations.